



TEXAS ETHICS COMMISSION



ETHICS ADVISORY OPINION NO. 613

September 24, 2024

ISSUE

Whether Section 572.054(b) of the Government Code prohibits a former employee of a regulatory agency from receiving compensation for assisting cities and counties applying for and managing grants issued by the requestor's former state agency. (AOR-715)

SUMMARY

The Section 572.045(b) revolving door restriction does not apply to the requestor because the requestor will be providing services to only cities and counties.

FACTS

The requestor is a former employee of the Texas General Land Office (GLO) who worked as a project manager overseeing regional planning studies funded through Community Block Development Grants (CDBG) provided by the U.S. Department of Housing and Urban Development (HUD). The projects the requestor oversaw were large regional flood studies and interagency agreements with other state agencies. The requestor's position was classified above salary group A17.

The GLO has a separate planning grant program called the Resilient Communities Program (RCP). RCP awards planning grants to cities and counties for local planning activities. The requestor was not involved in the RCP program while at the GLO.

The requestor now operates his own business that provides grant services to cities and counties. The requestor now provides services including grant application assistance and management. Some of the requestor's clients are interested in applying for the Resilient Communities Program (RCP) grants funded through GLO CDBG grants.

ANALYSIS

A former employee of a state regulatory agency is generally prohibited from receiving compensation for working "on behalf of any person" on the same "particular matter" the former state employee "participated" in as an employee of the state agency. Tex. Gov't Code § 572.054(b).

The revolving door provision at issue applies only to services rendered “on behalf of any person.”

Chapter 572 of the Government Code defines “person” as “an individual or business entity” and defines “business entity” as “any entity recognized by law through which business for profit is conducted, including a sole proprietorship, partnership, firm, corporation, holding company, joint stock company, receivership, or trust.” Tex. Gov’t Code §§ 572.002(2), 572.002(7).

The requestor states that he will be providing services only to cities and counties, which the plain language of Chapter 572 excludes from the definition of a “person.” A city or county is not an “individual,” nor is it an entity recognized by law through which “business for profit” is conducted. *Id.*; accord Tex. Ethics Comm’n Op. No. 573 (2022) (holding a state agency is not a “person” as defined by Chapter 572).

Consequently, the Section 572.054(b) revolving door provision would not apply to the requestor’s services provided to a city or county.